

Consumer Directed Health Plans and Provider Needs

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 - President, Southern California Chapter
 - Approximately 1,100 members
 - More than 34,000 members nationally

The Alphabet Soup for Savings Accounts

- MSA – Medical Savings Account
- HRA – Healthcare Reimbursement Account
- HSA – Healthcare Savings Account
- FSA – Flexible Savings Arrangement

In the Past – Healthcare Savings Accounts (MSAs)

- Employee sets aside pre-tax dollars designated for reimbursement for healthcare expenses
- Employee pays their deductibles and/or co insurance and is reimbursed
- Process of reimbursement to the employee at times could be slow

Currently

- Structure of benefits has changed with Consumer-Directed Health Plans
- Cost to the employee can be significant (thousands of dollars)
- HRAs, HSAs and FSAs have been set up to assist in handling these costs.
- Providers must collect more from the employee and need tools that can facilitate

Elements of What Providers Need

- Patient Insurance Eligibility
 - Effective Date
 - Pre-Existing Conditions
- Insurance Benefits
 - Deductible
 - How Much Remains to Meet the Deductible?
 - Co-Insurance after Insurance Begins to Cover
 - Stop Loss (When Coverage is 100%)
 - Maximum Benefits for the Policy

Elements of What Providers Need

- Insurance Authorizations to Treat
- Payments from Patients for Their Portion
- Payments from Health Plans

Current Electronic Transactions that Support this Information (If Completely Implemented)

- Eligibility – Healthcare Eligibility Request and Response Transaction (270/271)
- Benefits - Healthcare Eligibility Request and Response Transaction (270/271)
- Authorization – Referral Certification and Authorization Transaction (278)

Health Plans Only Implemented Portions of the Transaction Sets

- Basic Information is Available
- Detailed Information – Accumulators (e.g. remaining amounts for deductible) are not implemented
- Providers Cannot Calculate What to Collect
 - Some Collect Too Much – Resulting in Refunds
 - Come Collect Too Little – Resulting in Bad Debt

How Can a “Smart Card” Assist?

- Provide Mechanism to Collect directly from HSAs or FSAs
- Must be a Standard Mechanism for All and Not Proprietary
- Payment Must Go Directly Against the Deductible Accumulator 1st and then the Co-Insurance Accumulator

How Can a “Smart Card” Assist?

- Alternative Mechanism In-Place for Those Who Forget Their Card
 - Access Number with a PIN Number

Summary

- Fully Implement Existing Electronic Transaction Sets
 - 270/271 Eligibility
 - 278 Authorization
- Implement Mechanism to Collect Timely
 - Single Method for Access
 - Directly Pulls from Savings Account and Reduces Remaining Deductible
 - Has An Alternative Access If Card Not Available